

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
MARION COUNTY WATER DISTRICT) CASE NO. 97-477

O R D E R

On November 25, 1997, Marion County Water District ("Marion County") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Marion County purchases water from the Lebanon Water Works Company ("Lebanon").
2. Effective October 2, 1997, Lebanon increased its rates for wholesale water from \$1.71 per 1,000 gallons to \$2.07 per 1,000 gallons.
3. Marion County proposed to increase the rates to its customers effective January 1, 1998.
4. During the 12 months ending October 31, 1997, Marion County purchased 360,675,593 gallons of water and sold 295,825,619 gallons.
5. Marion County's calculations are correct and show an increase in purchased water cost of \$129,843.21, resulting in a purchased water adjustment of

\$0.44 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Marion County's customers would increase \$2.20 from \$22.03 to \$24.23 or 10 percent.

6. The purchased water adjustment of \$0.44 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

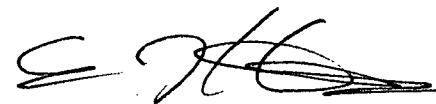
IT IS THEREFORE ORDERED that:

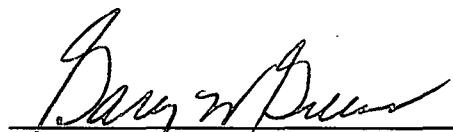
1. The purchased water adjustment of \$0.44 per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after January 1, 1998.
2. Marion County's proposed tariff is approved.
3. Within 30 days of the date of this Order, Marion County shall file verification that the notice to its customer has been given.

Done at Frankfort, Kentucky, this 23rd day of December, 1997.

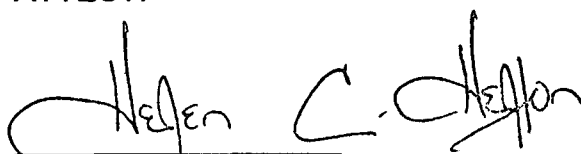
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-477 DATED DECEMBER 23, 1997.

The following rates and charges are prescribed for the customers in the area served by Marion County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Consumer Rates

First	1,000	gallons	\$10.11 Minimum Bill
Next	9,000	gallons	3.53 per 1,000 gallons
Next	90,000	gallons	2.99 per 1,000 gallons
Over	100,000	gallons	2.88 per 1,000 gallons

Minimum Monthly Charge per Meter Size

5/8 x 3/4 Inch Meter	\$10.11 Minimum Bill
5/8 x 1 Inch Meter	17.81 Minimum Bill
5/8 x 2 Inch Meter	26.17 Minimum Bill